



To,

The Members,

Karnataka State Souharda Federal

Co-operative Ltd, Bengaluru.

We have audited the balance sheet of Karnataka State Souharda Federal Co-operative Ltd, Bengaluru as at 31st March, 2012 and Income and Expenditure account for the period ended on that date. These Financial statements are the responsibility of the Management of the Federal Co-operative. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted the audit in accordance with the Audit Standards generally accepted in India. Those standards require that we plan and perform the Audit to obtain the reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on test basis, evidence supporting the evidence and disclosures in the financial statements. An audit also includes assessing the Accounting standards used and significant estimates made by the Management, as well as evaluating financial statements presentation, we believe that our Audit provides reasonable basis for our opinion.

Balance Sheet and Income and Expenditure Account have been drawn up in prescribed forms under the Karnataka Souharda Sahakari Act, 1997, and are in conformity with the generally accepted Accounting Principles in India.

To the best of our knowledge and according to information & explanation given to us and as shown by the books of the co-operative and read together with the accounting policies, we report that:

- 1) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of audit.



**AUDIT REPORT OF KARNATAKA STATE SOUHARDA
FEDERAL CO-OPERATIVE LTD, BENGALURU
FOR THE YEAR ENDING 31ST MARCH, 2012**

1. Name and Address of the Organisation:

Karnataka state souharda Federal Co-operative Limited, "Nirman Bhavan" Dr. Rajkumar Road, 1st Block, Rajajinagar, Bengaluru-10.

2. Registration Number and Date:

R.S.R:SOUKA:136:NONDANI:051:2001-02 Dated: 04.01.2002 (The Registrar Co-operatives, Bengaluru)

3. Names and Designation of Executives:

- 1) President : Shri S.R. Satischandra
- 2) Vice-President : Shri Gurunath Jantikar
- 3) Managing Director : Shri Sharangouda G Patil

4. Period of Audit:

01.04.2011 to 31.03.2012

5. Compliance Report:

The souharda Federal Co-operative has submitted compliance report for the last year audit report.

6. Membership:

The total number of members including banks and Co-operatives registered under Souharda Act as on 31.03.2012 was 2008 whereas it was 1654 as on 31.03.2011.

Following is the details of member co-operative for the last three years:

Sl No	Particulars	31.03.2010	31.03.2011	31.03.2012
1	Banks	19	19	18
2	Credit Co-operatives	826	988	1165
3	Housing Co-operatives	5	5	5
4	Thriffs	149	153	156
5	Others	348	489	86
6	Multipurpose	-	-	578
TOTAL		1347	1654	2008

The membership of the Federal Co-operative has gone up by 354 during the financial year 2011-2012. The growth in membership during the financial year was about 21.40% when compared to last year.

7. Physical verification of Cash:

We have verified the cash maintained at the Federal Co-operative during the course of audit and found that the physical cash agreed with the book balance.



8. Borrowings:

a) Government Loan:

The Government of Karnataka vide G O No. CMW176 CLM, 2003, Bangalore, dated 31.10.2003, has sanctioned interest free loan of Rs. 10,00,000/- to the Federal Co-operative towards initial establishment cost. A floating charge has been created on the assets (both movable and immovable) against the above said loan. The same has been received by the Federal Co-operative on 06.03.2004. As per the terms of sanction, the same requires to be repaid in 10 equal installments of Rs. 1,00,000/-. Accordingly, the Federal Co-operative has repaid eighth (8th) installment of Rs. 1,00,000/- on 31st October 2011.

9. Co-operative Education Fund 2%:

The Federal Co-operative has collected 2% Education Fund from member co-operatives on behalf of Karnataka State Co-operative Federation. The full amount has already been remitted to the Karnataka State Co-operative Federation and the remaining balance yet to be remitted, as on 31.03.2012 was Rs. 85,55,364.96. The same has been shown as liability in the balance sheet of Federal Co-operative. The opening balance in this account as on 01.04.2011 was Rs. 65,13,007.79. This has been shown as payable under liabilities side.

The following are the details of the same.

2% Education Fund	: Rs. 85,55,364.96
Total	Rs. 85,55,364.96

It was observed that, as per the memorandum of understanding signed with Karnataka State Co-operative Federation Ltd on 11.05.2009, the Karnataka State Souharda Federal co-operative has to recover service charges for collecting 2% education fund. It is suggested to deduct service charge and remit remaining balance to Mahamandala.

10. Education Fund 1%:

The Federal Co-operative had accumulated balance of education Fund 1% of Rs. 1,11,37,740.73 as on 31.03.2011. During the year it has received Rs. 86,24,053.52 towards 1% Education Fund from member co-operatives. Out of the total amount Rs. 44,79,330.97 has been transferred to income account and remaining balance of Rs. 1,52,05,838.28 has been shown as liability in the balance sheet as on 31.03.2012.

The following are the details of the same:

1) 1% Education Fund 2008-09	: Rs. 15,26,549.52
2) 1% Education Fund 2009-10	: Rs. 58,60,111.40
3) 1% Education Fund 2010-11	: <u>Rs. 78,19,177.36</u>
TOTAL	<u>Rs. 1,52,05,838.28</u>

11. Government Grants and Loans:

The Federal Co-operative had availed interest free loan of Rs. 10,00,000/- from State Government during the year 2003-2004 and has repaid eight installments of Rs. 1,00,000/- till date and the balance outstanding as on 31.03.2012 was Rs. 2,00,000/-.



12. E-Stamping Deposits:

The Federal Co-operative has entered in to an agreement with Stock Holding Corporation of India Ltd, for the benefit of member co-operatives for issue of E-Stamps during 2009-2010. For this purpose the Federal has collected the following deposits from concerned co-operatives as on 31.03.2012.

1) Security Deposit	: Rs. 2,21,50,000.00
2) Trading Deposit	: Rs. <u>2,75,08,550.49</u>
TOTAL	: Rs. <u>4,96,58,550.49</u>

It is suggested to transfer the said activity to another organization to avoid cumbersome income tax procedures like, dual taxation, E-TDS returns, assessment etc. We observed that the said activity is under process.

13. Provision for Expenses:

The following provisions have been made as on 31.03.2012.

1) E-Stamping Postage	Rs. 62,000.00
2) Legal Expenses	Rs. 5,000.00
3) Printing & Stationary	Rs. 1,500.00
4) Chairman Travelling Exps	Rs. 20,000.00
5) Electricity & Water	Rs. 25,116.00
6) Employees Gratuity-Admn	Rs. 1,45,897.00
7) Employees Gratuity-Edu	Rs. 48,140.00
8) E'yees Earning Leavencashment-Admn	Rs. 2,49,815.00
9) E'yees Earning Leavencashment-Edu	Rs. 1,12,764.00
10) E-Stamping Inspection/Prof Exps	Rs. 50,000.00
11) Hospital Expenses	Rs. <u>58,755.00</u>
TOTAL	Rs. <u>7,78,987.00</u>

14. Other Liabilities:

The following are the details of other liabilities as on 31.03.2012.

1) Duties and Taxes	: Rs. 63,201.00
2) E-Stamping Commission	: Rs. 4,66,170.34
3) E-Stamping Division	: Rs. <u>4,562.79</u>
TOTAL	: Rs. <u>5,33,934.13</u>

15. Bank Reconciliation and Balance Confirmation:

The reconciliation statements for all the bank accounts have been prepared and they are in order. Confirmations of balances as on 31.03.2012 obtained from all banks.



16. Investments:

The Federal Co-operative held the following investments as on 31.03.2012.

Particulars	Cost (Rs.)	Maturity (Rs.)	Date of Maturity
Fixed Deposit with SBM	30,00,000.00	30,00,000.00	15.12.2012
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	03.03.2013
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	05.04.2013
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	06.12.2012
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	03.06.2012
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	26.04.2012
Fixed Deposit with SBM	50,00,000.00	50,00,000.00	15.10.2013
Fixed Deposit with ING Vaisya	25,00,000.00	25,00,000.00	20.03.2013
0% IDFC 2026	2,50,000.00	10,00,000.00	08.09.2028
Shares in NYC	1,000.00	1,000.00	
TOTAL	3,57,51,000.00	3,65,01,000.00	

The Federal Co-operative has invested in 0% IDFC Bonds to the extent of Rs. 2,50,000.00. We are unable to comment on the position of the investment as the market value as on 31.03.2012 was not available for the said investment. Hence the market value as on 31.03.2010 has been retained in the balance sheet as on 31.03.2012.

It is advised to invest the funds in high yielding securities with the provisions of K S S Act, 1997.

17. Fixed Deposits:

The Federal Co-operative has invested Rs. 3,55,00,000.00 in fixed deposit with State Bank of Mysore as on 31.03.2012 at 9.25% to 10.00% rate of interest.

18. Fixed Assets:

Following are the details of fixed assets held as on 31.03.2012.

1) Computer	Rs. 3,27,820.00
2) Computer Education	Rs. 31,092.00
3) Computer-Software	Rs. 287.00
4) E-Stamping Computer	Rs. 6,019.00
5) Furniture & Fixtures	Rs. 59,74,392.00
6) Office Equipments	Rs. 2,51,387.00
7) Office Vehicle	Rs. 9,09,408.00
8) Xerox Machine	Rs. 66,029.00
TOTAL	Rs. 75,66,434.00

Computers (Education):

The Federal Co-operative has sold the old Computers (20 Laptops) during the year for Rs. 1,20,000.00. Which has resulted profit of Rs. 79800.00



19. Staff Advance:

Following are the details of advances outstanding as on 31.03.2012

- | | |
|-----------------------|--------------|
| 1) Sharangouda Patil | Rs. 54163.00 |
| 2) Bhavan Rao | Rs. 35000.00 |
| 3) Vinod | Rs. 11250.00 |
| 4) Sunil | Rs. 11250.00 |
| 5) Shobha (Sub Staff) | Rs. 4000.00 |

20. Other Advances:

Following are the details of other advances as on 31.03.2012

1) Suspense Vinivinc Rs. 313196.00

The Federal Co-operative had spent Rs. 313196.00 in connection with the administration of Vinivinc Souharda Co-operative Ltd. Up to 31.03.2012.

It is advised to recover the same from the said co-operative at the earliest.

2) Suspense Green Credit Rs. 26000.00

The Federal Co-operative had appointed administrator for Green Credit Souharda Co-operative, Bangalore and had incurred Rs. 26000.00 towards expenses related to the same.

It is advised to recover the same from the said co-operative at the earliest.

3) Suspense Dharwad Dairy Rs. 20000.00

The Federal Co-operative had appointed administrator for Dharwad Dairy and Farming CSSN and had incurred Rs. 20000.00 during the year towards expenses related to the same. It is advised to recover the same from the said co-operative at the earliest.

4) Coherent Technologies Rs. 100000.00

The Federal Co-operative has paid Rs. 100000.00 as advance to Coherent Technologies towards development of office automation software.

It is advised to get the software installed at the earliest.

5) Vehicle Advance Rs. 200000.00

Advance of Rs. 200000.00 has been paid to Ravindo Toyota Private Limited, towards repairs and maintenance of vehicle which has met an accident on 13.11.2011.

6) Land Advance (CA Site) Rs. 1566356.00

On 16.03.2011 Federal Co-operative has paid to BDA Rs. 1566356.00 advance payment for purchase of CA site for the office purpose.

21. Other Assets:

Following are the details of other assets held on 31.03.2012.

- | | |
|----------------------|-------------------|
| 1) Rent Deposit | Rs. 2,40,000.00 |
| 2) Internet Deposit | Rs. 3,400.00 |
| 3) TDS Due | Rs. 5,67,959.00 |
| 4) Telephone Deposit | Rs. 9,350.00 |
| TOTAL | Rs. 8,20,709.00 ✓ |



TDS Due:

1) TDS Due From SHCIL	Rs. 4,66,711.00
2) TDS Due on Investment <i>Int</i>	Rs. <u>1,01,248.00</u>
TOTAL	Rs. <u>5,67,959.00</u>

22. Board of Directors:

The election to the Board of Directors was held on March 2011. The total number of directors of the Federal Co-operative as on 31.03.2012 was 29 and Two (2) special invitee. The present board taken charges with effect from 01.04.2011 and has tenure up to 31.03.2016. The list of directors as on 31.03.2012 and their attendance at board meetings has been annexed to this report.

23. Board Meetings:

On our verification of minutes of the meetings we found that Six board meetings were held during the year 2011-2012. The meetings were held as per the provisions of KSS Act and also bylaw of the Federal Co-operative. It is observed that none of the directors was absent for three consecutive meetings without leave of absence.

24. Board Meeting and Chairman Expenses:

Following expenses were incurred towards board meetings and chairman expenses during the year 2011-2012.

1) Board Meeting Allowances	Rs. 9,73,264.00
2) Board Meeting Expenses	Rs. 76,074.00
3) Honorarium to Chairman	Rs. 1,20,000.00
4) Rent Allowance	Rs. 1,08,000.00
5) Sub Committee Meeting Exps	Rs. 1,15,319.00
6) Chairman Travelling Exps	Rs. 1,51,839.00
7) Vice Chairman Travelling Exps	Rs. 1,56,542.00
8) Vehicle Expenses	Rs. 72,669.00
9) Travelling Expenses to Directors	Rs. 6,726.00

ending
 → 1,05,979 - 9340/-
 1780.433/- Rs. = 177,1093/-

1) Board Meeting Allowances:

The above includes fixed travelling allowances at the rate of Rs. 8/- per KM as approved by the last year general body. However, it is advised to reimburse travelling expenses on the basis of mode of travel on actual basis as the fixed allowances are not allowed to be deducted as per Income Tax Act. In case any director travels by car, the same may be reimbursed by obtaining declaration from the director concerned.

2) Travelling Expenses Directors:

The above includes fixed halting allowances on travelling for official duty. It is advised to make a comprehensive travelling rule for the same and needs to be approved by the general body.

The ratification of the general body needs to be obtained for the above expenditure incurred during the year.

It is advised to get the declaration for having spent the allowances on yearly basis from all the directors as it is required to be produced to Income Tax department at the time of assessment.



25. Education Fund Income/Expenses:

As per the byelaws of the Federal Co-operative, 1% of Education Fund has been recognized as income only to the extent of the expenditure incurred towards education purpose and the remaining amount is shown as liability. The amount transferred to education fund income during the year was Rs. 4479330.97. Hence, there is no surplus or shortage in education fund group.

It is advised make a clear bifurcation between administrative expenses and education expenses.

26. Workshops:

The Federal Co-operative has organized 30 workshops including promotional workshops covering various aspects during the year for the benefit of member co-operatives.

27. Dead Stock Register:

The Federal Co-operative has maintained the register for Fixed Assets and entries have been incorporated for the purchases made during the year.

28. Vehicle Log Book:

It is observed that the Federal Co-operative has maintained logbook for the maintenance of vehicle. However, it was observed that the purpose of the journey and petrol expenses have not been mentioned in the register. It is advised to mention the same.

29. E-TDS:

It was observed that the Federal Co-operative has filed E-TDS returns on quarterly basis as per the provisions of the Income Tax Act and Staff PF Returns have been filed up to 31.03.2012.

30. Budget vs Actual:

On our scrutiny of the budget for the year 2011-2012 and actual expenses incurred during the year, we have observed that some of the expenditures have exceeded the budget and the same needs to be rectified by the general body.

It is advised make separate budget for divisional offices to have more control.

31. Defaulters:

The Federal Co-operative has prepared list of defaulters as on 31.03.2012 and as per the list 187 member co-operatives have defaulted in payment of fees and other funds. The list of the same has been enclosed to this report. And 612 member co-operatives have defaulted in payment of fees and other funds for the year 2010-2011.

32. Federal Co-operative has incurred Rs. 350000.00 (directly paid to Annapurneshwari Caterings) towards caterings (food) expenses incurred on the occasion of conference arranged by Karnataka State Credit Co-operative Societies Association, Bangalore on 27.12.2011 at Palace Ground Bangalore. The decision has been taken by board unanimously in board meeting held on 29.02.2012.



33. On 13.11.2011 Federal Co-operatives Vehicle met an accident. Federal Co-operatives President Shri Satischandra travelling in this vehicle. The medical expenses incurred were Rs. 58755.00 which has to be paid to Tejaswini Hospital, Mangalore. During the audit period these expenses are due to be paid.

34. Amount of Rs. 430430.50 has been incurred on account of Provident Fund contribution. The above amount includes Rs. 46040.00 on account of interest.

35. Federal Co-operative has incurred loss of Rs. 71327.00 on account of sale of investments in Industrial Investment Bank of India Limited, Kolkota.

36. Comments:

- 1) It is advised to use pre printed vouchers containing serial numbers for payment vouchers.
- 2) Proper head not mentioned in Vouchers
- 3) Some of the vouchers not passed by the officer
- 4) Some of the vouchers not supported by supporting bills.

PLACE: SANKESHWAR

DATE: 15.05.2012

SIGNATURE

For M/s. Pandurang Simpi & Associates
Chartered Accountants

Pandurang Simpi
Proprietor
M. No. 209494



**KARNATAKA STATE SOUHARDA FEDERAL CO-OPERATIVE LIMITED,
NIRMAN BHAVAN, DR. RAJKUMAR ROAD, RAJAJINAGAR, BENGALURU- 560 010**

Reg No: R.S.R:SOUKA:136:NONDANI:051:2001-02 Dated: 04.01.2002 (The Registrar Co-operatives, Bengaluru)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31.03.2012

31.03.2011	EXPENDITURE	SCH	31.03.2012	31.03.2011	INCOME	SCH	31.03.2012
1363526.50	Board Meeting & Directors Exps	5	1383317.00	4493551.00	Annual Membership Fees	1	6499168.00
4933640.50	Education Fund Expenses	6	4932368.97	2544.00	Other Income(Pft on Sale of Assets)		79800.00
502909.24	Office Expenses	7	250199.03	4933640.50	Educational Fund Income	2	4932368.97
281123.00	Telephone, Courier & Postage	8	187428.00	466267.24	Interest Income	3	815661.17
31961.00	Travelling Expenses	9	58092.00	1494895.00	E-Stamping Income	4	2932740.00
66298.00	Professional Charges	10	215999.00	265060.04	Excess Expenditure over Income		717876.32
0.00	Divisional Office Expenses	11					
1090495.00	Staff Salary	12	938350.28				
173447.00	Vehicle Expenses	13	2953013.22				
146980.00	Rent, Electricity, Water	14	174652.00				
1484637.04	E-Stamping Expenses	15	154975.08				
690298.00	Depreciation	16	2845245.88				
105972.50	Printing & Stationary		1042340.00				
501034.00	General Body Expenses		180091.00				
217456.00	Election Expenses		595363.00				
66180.00	Audit Fee		0.00				
11655957.78			66180.00	11655957.78			15977614.46

Note: 1% Education Fund transferred to Education Fund Income account to the extent of expenditure incurred towards the said objectives and remaining balance shown as liability.

PLACE: SANKESHWAR

DATE: 15.05.2012

SIGNATURE

AS PER OUR REPORT OF EVEN DATE

For Karnataka State Souharda Federal Co-operative Ltd

For M/s. Pandurang Simpi & Associates
Chartered Accountants

(Signature)
M.D.

(Signature)
Pandurang Simpi
Proprietor
M. No. 209494



SCHEDULES FOR INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDING 31.03.2012

1	Annual Fees Annual Fees 2005-06 Annual Fees 2006-07 Annual Fees 2007-08 Annual Fees-2008-09 Annual Fees-2009-10 Annual Fees 2010-11 Annual Fees 2011-12	7500.00 11443.00 60750.00 64048.00 134941.00 480751.00 5739735.00	6499168.00			4932368.97
2	Education Fund-Income Canara Bank Interest Income A/c Education Fund-Income Other Receipt Workshop Deligation Fee	21909.00 4479330.97 1328.00 429801.00	4932368.97			125023.00 124347.22 69685.00 70700.00 768121.00 25000.00 8208.00 151839.00 2415.00 163757.00 105217.00 13700.00 97116.00 120350.75 48140.00 112764.00 73819.00 505.00 71327.00 180000.00 4003.00 48340.00 511503.00 202593.00 5500.00 66396.00 121203.00 1014097.00 6115.00 350000.00 28690.00 65569.00 5058.00 156542.00 6726.00 8000.00
3	Interest Income Axis Bank Interest Income Ing Vysya Inrest Income A/c Interest Income SBM Interest Income Belgaum Br SBM Interest Gulbarga Br IDBI Bank Interest	2599.00 112945.17 6996.00 690712.00 1351.00 1058.00	815661.17			
4	E-Stamping Income E Stamping Application Form Charges E-Stamping Interest A/c- From SBM FD E Stamping Interest Income E-Stamping Penalty on ACC E Stamping Processing Charges	119295.00 1759280.00 244276.00 717889.00 92000.00	2932740.00			
5	Board Meeting /Directors Expenses Board Meeting -Allowances Board Meeting Expenses Honorarium to Chairman Sub Committee Meeting Exp, Rent - Re-imbursment to President	973264.00 76074.00 120000.00 105979.00 108000.00	1383317.00			
6	Education Fund Expenses-HO Bengaluru-Workshop Belgaum-Workshop Gulbarga-Workshop Mysore-Workshop Workshop Expenses- Educ Akila Bharatha Sahakara Saptaha Exp. Books and Periodicals Chairman Travelling Exp Computer Maintenance Eduon Conference Exp. Depreciation-Edu Fund Driver Daily Allowance Electricity & Water - Eduon Employees Exgratia - Eduon Employees - Grauntuty Edu Employees Leavencashment-Edu Employer Contribution Pf A/c -Edu Local Conveyanance (Educn) Loss on Sale of Investments Office Rent-Education Petrol Expenses Education Postage Eduon Printing and Stationery-Eduon Professional Charges-Eduon Promotional Expenses Publicity Public Relation Salary (Education) Samalochana Sabhe Exp. Samavesha Expenses Staff Recruitment & Training Exp. Telephone Telex (Eduon) Travelling Expenses for Education Travelling Expenses To Vice Chairman Travelling Expenses- Directors Website: Souharda.Com					



7	Office Expenses / Other Expenses Interest Paid Bank Charges Computer Maintenance New India Assurance Company Ltd Miscellaneous Expenses Office Maintenance Hospital Exps Inspection Exp	2443.00 3565.03 41501.00 17709.00 10532.00 28256.00 82813.00 63380.00	250199.03		2953013.22
8	TELEPHONE , TELEX AND FAX-Admin TELEPHONE , TELEX AND FAX-Admin Postage Admin	64978.00 122450.00	187428.00		174652.00
9	Travelling Expenses Travelling Expenses (Admin) Local Conveyance	45580.00 12512.00	58092.00		154975.08
10	Professional Charges Professional Charges-Admin Legal Expenses	169249.00 46750.00	215999.00		2845245.88
11	Divisional Office Exp. Bank Charges Divisional Meeting Electricity & Water Local Conv. & Travelling Exps Miscellaneous Exps. Office Maintenance Printing & Stationery Rent Staff Salary Telephone, Postage & Courier Office Equipments Other Exp.	208.00 88309.00 14670.00 49813.00 11421.00 46001.28 31479.00 101900.00 528477.00 46895.00 17727.00 1450.00	938350.28		
12	Staff Salary Salary (Admin) Employees Exgratia Employees Graututy - Admin Employees Leave Encashmnt-Admin Employer Contribution PF A/c Employees Mediclaim Insurance Policy	1810676.00 271401.72 145897.00 249815.00 430430.50 44793.00			
13	Vehicle Expenses Vehicle Expenses-Admin Petrol Expenses	72669.00 101983.00			
14	Rent, Electricity & Water Electricity & Water Office Rent- Admin	85754.00 69221.08			
15	E-Stamping Expenses Company Formation Prel. Exps. E Stamping Bank Charges E Stamping Comp. Maint. E Stamping Electricity Estamping Employer Contribution PF A/c Estamping - Employee Exgratia Estamping Inspection/professional Exp. Estamping Legal Exp. Estamping Local Conveyance Estamping Mediclaim Policy A/c E Stamping Meeting Exp. E Stamping Office Maintenance E Stamping Postage Exp. E Stamping - Printing & Stationery Exp. E Stamping Rent E Stamping Staff Salary E Stamping Staff Welfare E Stamping Telephone Telex Exp. E Stamping Training Exp. E Stamping Travelling Exps	10000.00 88.24 18727.00 80605.00 89757.00 116580.64 90028.00 13787.00 16919.00 19219.00 40615.00 27237.00 207100.00 356892.00 388000.00 941074.00 50387.00 160964.00 30136.00 187130.00			

PLACE: SANKESHWAR

DATE: 15.05.2012

For Karnataka State Souharda Federal Co-operative Ltd.



Sankeshwar
President

[Signature]
M D

SIGNATURE

AS PER OUR REPORT OF EVEN DATE

For M/s. Pandurang Simpi & Associates
Chartered Accountants

[Signature]
Pandurang S. Simpi
Proprietor
M. No. 209494

**KARNATAKA STATE SOUHARDA FEDERAL CO-OPERATIVE LIMITED,
NIRMAN BHAVAN, DR. RAJKUMAR ROAD, RAJAJINAGAR, BENGALURU- 560 010**

Reg No: R.S.R.SOUKA:136/NONDANI:951:2001-02 Dated: 04.01.2002 (The Registrar Co-operatives, Bengaluru)

BALANCE SHEET AS AT 31.03.2012

31.03.2011	LIABILITIES	SCH	31.03.2012	31.03.2011	ASSETS	SCH	31.03.2012
	GENERAL FUND:				FIXED ASSETS	1	7566434.00
11755.96	Opening Balance		-147504.08	7427093.00		2	35773581.00
-265060.04	Less: Deficit for the year		-717876.32	22759328.00			
-147504.08			-865380.40				
	BORROWINGS:				CURRENT ASSETS LOANS AND ADVANCES		
300000.00	Loan from State Government		200000.00	50097.00	Cash in Hand	3	78062.50
	CURRENT LIABILITIES/PROVISIONS				Cash at Bank	4	3453980.08
17650748.52	1% Education Fund	7	15205838.28	12112039.83	Loans & Advances	5	25586671.88
66180.00	2% Education Fund		8555364.96	12888542.50	Other Assets	6	1315549.00
198997.00	Audit Fees Payable		66180.00	454097.44			
58337.00	TDS Payable		63201.00	0.00	Suspense		
289683.84	Provision for Expenses	8	778987.00				
3727455.49	Other Liabilities	9	470733.13				
	E-Stamping Deposits	10	49658550.49				
55691197.77			74133474.46	55691197.77			74133474.46

Note: Figures have been regrouped for previous year wherever necessary.

CERTIFICATE: Certificate that we have audited the accounts of the Karnataka State Souharda Federal Co-operative Ltd., Bengaluru for the year 2011-2012 as produced for the audit by the Managing Director and other staff of the Federal and obtained in our opinion and to the best of our knowledge the above Balance Sheet exhibits true and fair view of the financial position of the Federal subject to the remarks narrated in the Audit Report.

PLACE: SANKESHWAR

DATE: 15.05.2012

SIGNATURE

AS PER OUR REPORT OF EVEN DATE

For Karnataka State Souharda Federal Co-operative Ltd

For M/s. Pandurang Simpi & Associates
Chartered Accountants

(Signature)
M.D.

(Signature)
Pandurang Simpi
Proprietor

M No 509494



Schedules for Balance Sheet Account for the year ending 31.03.2012

1	Fixed Assets	327820.00	7566434.00	25586671.88
	Computer	31092.00		200000.00
	Computer Edun	287.00		23704652.88
	Computer-Software	6019.00		1566356.00
	E Stamping Computer	5974392.00		35000.00
	Furniture and Fixtures	251387.00		54163.00
	Office Equipments	909408.00		4000.00
	VEHICLE	66029.00		11250.00
	Xerox Machine A/c			11250.00
2	Investments	23000000.00	35773581.00	1315549.00
	E Stamping FD A/c- SBM	2500000.00		240000.00
	ING Vysya Bank Deposit	272581.00		100000.00
	Invetments in IDFC 2026	1000.00		296056.00
	Shares in NYC	10000000.00		3400.00
	State Bank of Mysore FD A/c			466711.00
3	Cash at Bank	133995.00	3453980.08	359196.00
	Axis - 838	66005.89		101248.00
	Belgaum - Bank	159904.52		78894.00
	Canara Bank, Shantinagar-Sb A/c	2277841.46		19890.00
	E Stamping Axis Bank A/c-7593	49903.00		9350.00
	Gulbarga - Bank	555830.93		
	ING Vysya Bank, SB A/C	210499.28		
	State Bank of Mysore SB A/c			
4	Loans & Advances			
	Vehicle Repair Advance			20000.00
	E Stamping SHCIL			23704652.88
	Land Advance (BDA)			1566356.00
	Salary Advance- Bhavan Rao			35000.00
	Salary Adv-Sharanagouda Patil			54163.00
	Salary Advance Shobha (Sub)			4000.00
	Salary Advance Sunil			11250.00
	Salary Advance - Vinod			11250.00
5	Other Assets			
	Rent Deposit			240000.00
	Sundry Debtors			100000.00
	E Stamping TDS Due on FD			296056.00
	Internet Deposit			3400.00
	TDS Due From SHCIL			466711.00
	TDS Due on Investment			101248.00
	E Stamping FD int Receivable			78894.00
	SBM FD Int Receivable			19890.00
	Telephone Deposit			9350.00
6	Suspense A/c			
	Dharwad Dairy & Farming C S S N			20000.00
	Green Credit Suspense A/c			26000.00
	Vinivinc Suspense A/c			313196.00



7	1% & 2% Education Fund 1% Education Fund 2008-09 1% Education Fund 2009-10 1% Education Fund 2010-11	1526549.52 5860111.40 7819177.36	15205838.28	9 Other Liability E Stamping Commission Payable E Stamping Division	466170.34 4562.79	470733.13
8	Provision for Expenses E Stamping Postage Exp. Legal Expenses Printing and Stationery-Edu Chairman Travelling Exp Electricity & Water - Edu Employees Graututy - Admin Employees - Graututy Edu Employees Leav Encashmnt-Admin Employees Leavencashment-Edu Estamping Inspection/professional Exp Hospital Exps	62000.00 5000.00 1500.00 20000.00 25116.00 145897.00 48140.00 249815.00 112764.00 50000.00 58755.00	778987.00	10 E-Stamping Deposits E Stamping Security Deposit E Stamping Trading Deposit	22150000.00 27508550.49	49658550.49

PLACE: SANKESHWAR
 DATE: 15.05.2012

SIGNATURE
 AS PER OUR REPORT OF EVEN DATE

For Kamataka State Souharda Federal Co-operative Ltd

For M/s. Pandurang Simpi & Associates
 Chartered Accountants

Sankeshwar
 President

Pandurang Simpi
 M.D.

Pandurang Simpi
 Proprietor
 M. No. 209494



**KARNATAKA STATE SOUHardA FEDERAL CO-OPERATIVE LIMITED,
"NIRMAN BHAVAN", Dr. RAJKUMAR ROAD, 1ST BLOCK, RAJAJI NAGAR BENGALURU-10
SCHEDULE-16**

SCHEDULE FOR FIXED ASSETS AND DEPRECIATION AS ON 31.03.2012

PARTICULAR	WDV AS ON 31.03.2011	ADDITIONS MADE		TOTAL ADDITION	DELETION	GROSS BLOCK 31.03.2012	DEPRECIATION		WDV AS ON 31.03.2012
		BEFORE OCT-03	AFTER OCT-3				%	AMOUNT	
Computer	82255.00	59850.00	387112.00	446962.00	0.00	529217.00	60	201397.00	327820.00
Computer Software	718.00	0.00	0.00	0.00	0.00	718.00	60	431.00	287.00
Furniture & Fixtures	5807467.00	0.00	787023.00	787023.00	0.00	6594490.00	10	620098.00	5974392.00
Xerox Machine	77681.00	0.00	0.00	0.00	0.00	77681.00	15	11652.00	66029.00
E-Stamping Computer	15048.00	0.00	0.00	0.00	0.00	15048.00	60	9029.00	6019.00
Office Equipment	199817.00	32861.00	57958.00	90819.00	0.00	290636.00	15	39249.00	251387.00
Vehicle	1069892.00	0.00	0.00	0.00	0.00	1069892.00	15	160484.00	909408.00
Total	7252878.00	92711.00	1232093.00	1324804.00	0.00	8577682.00		1042340.00	7535342.00

Computer Education	174215.00	0.00	2294.00	2294.00	40200.00	136309.00	60	105217.00	31092.00
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TOTAL	7427093.00	92711.00	1234387.00	1327098.00	40200.00	8713991.00		1147557.00	7566434.00
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**PLACE: SANKESHWAR
DATE: 15.05.2012**

For Karnataka State Souharda Federal Co-operative Ltd

Catrin Anand
President

SIGNATURE

AS PER OUR REPORT OF EVEN DATE

For M/s. Pandurang Simpi & Associates
Chartered Accountants

[Signature]
Pandurang V. Simpi
Proprietor

M. No. 209494



Notes on Accounts:

1) Basis of Accounting:

The accounts are prepared under the historical cost convention on accrual basis as a going concern except as stated in note No. 2. The Federal Co-operative follows accounting policies consistently in accordance with the provisions of Karnataka Souharda Sahakari Act 1997.

2) Revenue Recognition:

Income was recognized on mercantile basis and expenditure on accrual basis.

3) Depreciation on Fixed Assets:

Depreciation has been charged as per the Income Tax Act on all assets as on 31.03.2012.

4) Investments:

Investments are shown at market value as on 31.03.2010 as market value as on 31.03.2012 was not available.

5) Estimated amount of commitment for capital expenditure not provided-NIL

6) There are no contingent liabilities as on 31.03.2012.

PLACE: SANKESHWAR

DATE: 15.05.2012

SIGNATURE

For M/s. Pandurang Simpi & Associates
Chartered Accountants

Pandurang B Simpi
Proprietor
M. No. 209494

